

Table T10-0161
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
Summary Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change (\$)	Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase				Change (%)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	4.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	10.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	16.5
Fourth Quintile	0.0	0.2	0.0	0.0	0	0.0	19.5
Top Quintile	0.0	19.5	-0.4	100.0	779	0.3	26.0
All	0.0	2.9	-0.2	100.0	115	0.2	21.4
Addendum							
80-90	0.0	0.3	0.0	0.1	1	0.0	22.0
90-95	0.0	30.5	0.0	1.5	46	0.0	23.2
95-99	0.0	41.8	-0.3	19.0	739	0.2	25.4
Top 1 Percent	0.0	67.7	-1.0	79.5	12,129	0.7	30.9
Top 0.1 Percent	0.0	78.7	-0.9	34.9	52,808	0.6	33.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.8

** This table is part of a series of tables showing the distributional effects of moving incrementally from current policy to current law. For definitions and further information, see "Related Tables: Moving Incrementally from Current Policy to Current Law" at

<http://taxpolicycenter.org/numbers/displayatab.cfm?template=simulation&SimID=367>

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level— a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see <http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,356, 40% \$37,493, 60% \$65,656, 80% \$111,659, 90% \$161,739, 95% \$226,402, 99% \$599,181, 99.9% \$2,727,123.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0161
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Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile, 2012¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.8	0.0	4.6
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	4.1	0.0	10.3
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.7	0.0	16.5
Fourth Quintile	0.0	0.2	0.0	0.0	0	0.0	-0.1	18.0	0.0	19.5
Top Quintile	0.0	19.5	-0.4	100.0	779	1.1	0.2	66.3	0.3	26.0
All	0.0	2.9	-0.2	100.0	115	0.7	0.0	100.0	0.2	21.4
Addendum										
80-90	0.0	0.3	0.0	0.1	1	0.0	-0.1	13.9	0.0	22.0
90-95	0.0	30.5	0.0	1.5	46	0.1	-0.1	10.2	0.0	23.2
95-99	0.0	41.8	-0.3	19.0	739	0.9	0.0	16.0	0.2	25.4
Top 1 Percent	0.0	67.7	-1.0	79.5	12,129	2.2	0.4	26.2	0.7	30.9
Top 0.1 Percent	0.0	78.7	-0.9	34.9	52,808	1.9	0.2	13.1	0.6	33.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income Percent of Total	Share of Post-Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	38,450	24.4	11,600	536	11,064	4.6	3.7	4.5	0.8
Second Quintile	34,947	22.2	28,852	2,970	25,882	10.3	8.4	9.6	4.1
Middle Quintile	31,868	20.3	52,224	8,617	43,606	16.5	13.9	14.7	10.8
Fourth Quintile	26,646	16.9	88,978	17,314	71,663	19.5	19.8	20.2	18.2
Top Quintile	23,298	14.8	280,229	72,034	208,196	25.7	54.5	51.4	66.0
All	157,348	100.0	76,169	16,156	60,012	21.2	100.0	100.0	100.0
Addendum									
80-90	11,720	7.5	138,385	30,374	108,011	22.0	13.5	13.4	14.0
90-95	5,734	3.6	196,549	45,450	151,098	23.1	9.4	9.2	10.3
95-99	4,655	3.0	345,574	87,146	258,428	25.2	13.4	12.7	16.0
Top 1 Percent	1,190	0.8	1,825,188	551,415	1,273,773	30.2	18.1	16.1	25.8
Top 0.1 Percent	120	0.1	8,367,274	2,750,495	5,616,779	32.9	8.4	7.1	13.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.8

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed); top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The breaks are (in 2009 dollars): 20% \$19,356, 40% \$37,493, 60% \$65,656, 80% \$111,659, 90% \$161,739, 95% \$226,402, 99% \$599,181, 99.9% \$2,727,123.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0161
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	1.0
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.8	0.0	8.5
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	8.5	0.0	15.1
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	17.2	0.0	18.9
Top Quintile	0.0	15.3	-0.4	100.0	606	1.0	0.2	71.2	0.3	25.8
All	0.0	2.9	-0.2	100.0	115	0.7	0.0	100.0	0.2	21.4
Addendum										
80-90	0.0	2.3	0.0	0.2	2	0.0	-0.1	15.2	0.0	22.1
90-95	0.0	14.2	0.0	1.1	26	0.1	-0.1	11.5	0.0	23.3
95-99	0.0	38.3	-0.3	20.6	629	0.9	0.0	17.2	0.2	25.2
Top 1 Percent	0.0	61.9	-0.9	78.2	9,878	2.1	0.4	27.2	0.6	30.6
Top 0.1 Percent	0.0	75.6	-0.9	35.5	45,198	1.9	0.2	13.6	0.6	33.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-	Share of Post-	Share of
	Number (thousands)	Percent of Total					Tax Income Percent of Total	Tax Income Percent of Total	Federal Taxes Percent of Total
Lowest Quintile	31,706	20.2	10,935	114	10,821	1.0	2.9	3.6	0.1
Second Quintile	32,349	20.6	26,208	2,221	23,987	8.5	7.1	8.2	2.8
Middle Quintile	31,237	19.9	46,322	7,000	39,322	15.1	12.1	13.0	8.6
Fourth Quintile	29,980	19.1	77,565	14,691	62,875	18.9	19.4	20.0	17.3
Top Quintile	29,936	19.0	235,547	60,264	175,283	25.6	58.8	55.6	71.0
All	157,348	100.0	76,169	16,156	60,012	21.2	100.0	100.0	100.0
Addendum									
80-90	15,019	9.6	117,658	25,937	91,720	22.0	14.7	14.6	15.3
90-95	7,540	4.8	167,170	38,973	128,197	23.3	10.5	10.2	11.6
95-99	5,940	3.8	294,212	73,641	220,571	25.0	14.6	13.9	17.2
Top 1 Percent	1,436	0.9	1,584,726	475,691	1,109,035	30.0	19.0	16.9	26.9
Top 0.1 Percent	142	0.1	7,360,192	2,400,885	4,959,308	32.6	8.7	7.5	13.5

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Number of AMT Taxpayers (millions). Baseline: 4.6

Proposal: 3.8

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

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Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Single Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.6	0.0	7.1
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	5.1	0.0	10.7
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	12.5	0.0	17.1
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	20.7	0.0	21.0
Top Quintile	0.0	5.5	-0.2	100.0	199	0.5	0.1	60.0	0.1	26.9
All	0.0	0.8	-0.1	100.0	28	0.3	0.0	100.0	0.1	21.6
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	-0.1	15.6	0.0	23.9
90-95	0.0	0.2	0.0	0.0	0	0.0	0.0	10.8	0.0	25.0
95-99	0.0	18.7	-0.1	12.2	130	0.3	0.0	14.5	0.1	25.7
Top 1 Percent	0.0	52.8	-0.6	87.8	4,633	1.4	0.2	19.2	0.4	32.7
Top 0.1 Percent	0.0	70.7	-0.8	45.6	27,408	1.5	0.1	9.1	0.5	35.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	16,972	24.6	8,380	595	7,786	7.1	4.7	5.6	1.6	
Second Quintile	15,474	22.5	19,970	2,136	17,834	10.7	10.2	11.6	5.1	
Middle Quintile	14,005	20.3	34,261	5,846	28,416	17.1	15.9	16.8	12.6	
Fourth Quintile	11,543	16.8	55,833	11,723	44,110	21.0	21.3	21.5	20.8	
Top Quintile	9,596	13.9	151,979	40,629	111,349	26.7	48.2	45.0	59.9	
All	68,932	100.0	43,878	9,444	34,433	21.5	100.0	100.0	100.0	
Addendum										
80-90	5,066	7.4	84,037	20,048	63,990	23.9	14.1	13.7	15.6	
90-95	2,373	3.4	119,032	29,751	89,280	25.0	9.3	8.9	10.9	
95-99	1,795	2.6	204,548	52,484	152,064	25.7	12.1	11.5	14.5	
Top 1 Percent	361	0.5	1,060,631	342,027	718,604	32.3	12.7	10.9	19.0	
Top 0.1 Percent	32	0.1	5,243,107	1,855,698	3,387,408	35.4	5.5	4.5	9.0	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

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(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0161
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Married Tax Units Filing Jointly

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.1	0.0	0.8
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.4	0.0	7.9
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	5.4	0.0	13.5
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	14.9	0.0	17.8
Top Quintile	0.0	20.8	-0.4	100.0	831	1.2	0.2	78.2	0.3	25.5
All	0.0	6.3	-0.3	100.0	252	0.9	0.0	100.0	0.2	22.2
Addendum										
80-90	0.0	3.5	0.0	0.2	3	0.0	-0.1	15.3	0.0	21.3
90-95	0.0	21.1	0.0	1.2	38	0.1	-0.1	12.4	0.0	22.8
95-99	0.0	48.4	-0.4	22.0	876	1.0	0.0	19.3	0.3	25.2
Top 1 Percent	0.0	65.0	-1.0	76.6	11,660	2.3	0.4	31.2	0.7	30.1
Top 0.1 Percent	0.0	77.3	-0.9	33.2	50,146	2.0	0.2	15.4	0.6	32.7

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	
Lowest Quintile	6,622	10.8	14,526	118	14,408	0.8	1.2	1.6	0.1
Second Quintile	8,956	14.6	33,405	2,624	30,780	7.9	3.9	4.6	1.4
Middle Quintile	11,470	18.7	59,671	8,078	51,593	13.5	8.9	9.8	5.5
Fourth Quintile	15,032	24.5	95,023	16,945	78,078	17.8	18.5	19.5	15.0
Top Quintile	18,609	30.3	281,842	71,134	210,709	25.2	67.8	65.0	78.0
All	61,357	100.0	126,020	27,671	98,349	22.0	100.0	100.0	100.0
Addendum									
80-90	8,860	14.4	138,312	29,506	108,806	21.3	15.9	16.0	15.4
90-95	4,843	7.9	192,091	43,780	148,311	22.8	12.0	11.9	12.5
95-99	3,890	6.3	337,723	84,063	253,660	24.9	17.0	16.4	19.3
Top 1 Percent	1,015	1.7	1,748,464	515,366	1,233,098	29.5	23.0	20.8	30.8
Top 0.1 Percent	102	0.2	7,890,377	2,528,835	5,361,542	32.1	10.5	9.1	15.3

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

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(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

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(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

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Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Head of Household Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-5.3	0.0	-7.2
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	9.6	0.0	6.0
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	27.5	0.0	15.3
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	29.5	0.0	19.7
Top Quintile	0.0	4.3	-0.2	100.0	269	0.6	0.1	38.6	0.2	24.8
All	0.0	0.2	0.0	100.0	14	0.2	0.0	100.0	0.0	13.9
Addendum										
80-90	0.0	0.0	0.0	0.0	0	0.0	0.0	14.5	0.0	22.8
90-95	0.0	3.2	0.0	0.2	3	0.0	0.0	5.9	0.0	23.3
95-99	0.0	14.0	-0.2	18.1	351	0.5	0.0	8.0	0.1	23.7
Top 1 Percent	0.0	64.2	-0.8	81.7	8,255	1.9	0.2	10.2	0.6	30.9
Top 0.1 Percent	0.0	76.9	-0.9	35.2	40,393	1.8	0.1	4.8	0.6	33.5

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After-Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre-Tax Income	Share of Post-Tax Income	Share of Federal Taxes	
	Number (thousands)	Percent of Total					Percent of Total	Percent of Total	Percent of Total	
Lowest Quintile	7,840	31.9	13,490	-966	14,455	-7.2	10.3	12.8	-5.3	
Second Quintile	7,497	30.5	30,617	1,831	28,786	6.0	22.4	24.4	9.7	
Middle Quintile	5,095	20.8	50,275	7,680	42,595	15.3	25.0	24.6	27.6	
Fourth Quintile	2,777	11.3	76,881	15,125	61,756	19.7	20.8	19.4	29.6	
Top Quintile	1,242	5.1	178,521	43,999	134,522	24.7	21.6	18.9	38.5	
All	24,547	100.0	41,760	5,786	35,974	13.9	100.0	100.0	100.0	
Addendum										
80-90	805	3.3	112,763	25,734	87,028	22.8	8.9	7.9	14.6	
90-95	232	0.9	154,893	36,085	118,809	23.3	3.5	3.1	5.9	
95-99	173	0.7	278,418	65,644	212,774	23.6	4.7	4.2	8.0	
Top 1 Percent	33	0.1	1,423,600	431,181	992,419	30.3	4.6	3.7	10.0	
Top 0.1 Percent	3	0.0	6,950,503	2,286,326	4,664,177	32.9	2.0	1.5	4.7	

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0161
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012 ¹
Detail Table - Tax Units with Children

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	-1.3	0.0	-8.9
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	2.2	0.0	6.1
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.0	0.0	15.4
Fourth Quintile	0.0	0.1	0.0	0.0	0	0.0	-0.2	19.9	0.0	19.4
Top Quintile	0.0	24.4	-0.5	100.0	1,118	1.4	0.3	69.2	0.4	26.8
All	0.0	4.1	-0.3	100.0	189	1.0	0.0	100.0	0.2	21.0
Addendum										
80-90	0.0	7.3	0.0	0.3	6	0.0	-0.2	15.9	0.0	22.6
90-95	0.0	39.1	-0.1	1.8	85	0.2	-0.1	10.8	0.0	23.9
95-99	0.0	41.1	-0.5	26.6	1,578	1.5	0.1	17.0	0.4	26.7
Top 1 Percent	0.0	78.7	-1.2	71.3	17,711	2.7	0.4	25.6	0.9	32.3
Top 0.1 Percent	0.0	84.5	-1.1	27.2	70,016	2.1	0.1	12.2	0.7	33.9

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012 ¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	10,133	20.6	14,723	-1,303	16,026	-8.9	3.2	4.4	-1.4
Second Quintile	10,359	21.1	34,672	2,103	32,569	6.1	7.7	9.1	2.2
Middle Quintile	10,251	20.9	62,298	9,603	52,695	15.4	13.6	14.6	10.1
Fourth Quintile	9,800	19.9	103,142	19,996	83,146	19.4	21.6	22.0	20.1
Top Quintile	8,315	16.9	306,063	80,975	225,087	26.5	54.3	50.4	68.9
All	49,155	100.0	95,419	19,886	75,533	20.8	100.0	100.0	100.0
Addendum									
80-90	4,398	9.0	157,496	35,649	121,846	22.6	14.8	14.4	16.0
90-95	1,976	4.0	224,546	53,580	170,966	23.9	9.5	9.1	10.8
95-99	1,567	3.2	400,356	105,202	295,153	26.3	13.4	12.5	16.9
Top 1 Percent	374	0.8	2,088,455	657,137	1,431,317	31.5	16.7	14.4	25.1
Top 0.1 Percent	36	0.1	9,839,694	3,266,702	6,572,992	33.2	7.6	6.4	12.0

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Note: Tax units with children are those claiming an exemption for children at home or away from home.

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

<http://www.taxpolicycenter.org/TaxModel/income.cfm>

(3) The cash income percentile classes used in this table are based on the income distribution for the entire population and contain an equal number of people, not tax units. The incomes used are adjusted for family size by dividing by the square root of the number of people in the tax unit. The resulting percentile breaks are (in 2009 dollars): 20% \$13,219, 40% \$24,782, 60% \$41,864, 80% \$68,188, 90% \$97,830, 95% \$138,709, 99% \$361,983, 99.9% \$1,670,467.

(4) Includes both filing and non-filing units but excludes those that are dependents of other tax units.

(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.

Table T10-0161
Incremental Effects of Allowing the 2001 and 2003 Tax Cuts to Sunset
Restore Personal Exemption Phaseout and Limitation on Itemized Deductions
Distribution of Federal Tax Change by Cash Income Percentile Adjusted for Family Size, 2012¹
Detail Table - Elderly Tax Units

Cash Income Percentile ^{2,3}	Percent of Tax Units ⁴		Percent Change in After-Tax Income ⁵	Share of Total Federal Tax Change	Average Federal Tax Change		Share of Federal Taxes		Average Federal Tax Rate ⁶	
	With Tax Cut	With Tax Increase			Dollars	Percent	Change (% Points)	Under the Proposal	Change (% Points)	Under the Proposal
Lowest Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	0.3	0.0	2.5
Second Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	1.7	0.0	3.8
Middle Quintile	0.0	0.0	0.0	0.0	0	0.0	0.0	3.6	0.0	6.1
Fourth Quintile	0.0	0.0	0.0	0.0	0	0.0	-0.1	10.4	0.0	11.3
Top Quintile	0.0	13.7	-0.3	100.0	494	0.8	0.1	84.0	0.2	24.5
All	0.0	2.5	-0.2	100.0	91	0.7	0.0	100.0	0.1	18.2
Addendum										
80-90	0.0	0.4	0.0	0.0	0	0.0	-0.1	10.0	0.0	16.4
90-95	0.0	5.1	0.0	0.3	6	0.0	-0.1	9.5	0.0	19.2
95-99	0.0	35.0	-0.1	13.6	272	0.4	-0.1	20.8	0.1	23.4
Top 1 Percent	0.0	46.8	-0.6	86.1	5,511	1.3	0.3	43.7	0.4	30.3
Top 0.1 Percent	0.0	67.3	-0.7	46.8	30,624	1.4	0.2	21.8	0.5	33.2

Baseline Distribution of Income and Federal Taxes
by Cash Income Percentile Adjusted for Family Size, 2012¹

Cash Income Percentile ^{2,3}	Tax Units ⁴		Average Income (Dollars)	Average Federal Tax Burden (Dollars)	Average After- Tax Income ⁵ (Dollars)	Average Federal Tax Rate ⁶	Share of Pre- Tax Income Percent of Total	Share of Post- Tax Income Percent of Total	Share of Federal Taxes Percent of Total
	Number (thousands)	Percent of Total							
Lowest Quintile	5,016	16.4	10,899	271	10,628	2.5	2.4	2.8	0.3
Second Quintile	8,213	26.9	22,528	860	21,668	3.8	8.0	9.4	1.7
Middle Quintile	5,981	19.6	41,094	2,493	38,601	6.1	10.6	12.2	3.6
Fourth Quintile	5,495	18.0	70,238	7,965	62,273	11.3	16.7	18.1	10.5
Top Quintile	5,617	18.4	257,048	62,349	194,699	24.3	62.4	57.7	83.9
All	30,543	100.0	75,737	13,674	62,063	18.1	100.0	100.0	100.0
Addendum									
80-90	2,427	8.0	105,444	17,322	88,122	16.4	11.1	11.3	10.1
90-95	1,362	4.5	153,103	29,419	123,684	19.2	9.0	8.9	9.6
95-99	1,394	4.6	267,882	62,292	205,590	23.3	16.1	15.1	20.8
Top 1 Percent	434	1.4	1,396,961	417,897	979,064	29.9	26.2	22.4	43.4
Top 0.1 Percent	42	0.1	6,520,091	2,135,106	4,384,985	32.8	12.0	9.8	21.7

Source: Urban-Brookings Tax Policy Center Microsimulation Model (version 0509-5).

Note: Elderly tax units are those with either head or spouse (if filing jointly) age 65 or older.

(1) Calendar year. Baseline is current policy (extension of the 2001-2003 tax cuts and patching AMT using 2009 parameters indexed for inflation) plus estate tax at current law level—a 55 percent top tax rate and a \$1 million exemption, not indexed; top two tax brackets raised to 36 and 39.6 percent. Policy is restoration of the personal exemption phaseout (PEP) and the limitation on itemized deductions (Pease).

(2) Tax units with negative cash income are excluded from the lowest income class but are included in the totals. For a description of cash income, see

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(5) After-tax income is cash income less: individual income tax net of refundable credits; corporate income tax; payroll taxes (Social Security and Medicare); and estate tax.

(6) Average federal tax (includes individual and corporate income tax, payroll taxes for Social Security and Medicare, and the estate tax) as a percentage of average cash income.